

EXHIBIT 5

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
UNINSURED		AUTHORIZED
HENKMAN-KUSHNER AFFILIATES		REPRESENTATIVE

CHANGES

1201-5

RTGAGEE FOR LOCATION #4-1
 RST UNION NATIONAL BANK AS SERVICER ON BEHALF OF NORWEST BANK OF
 MINNESOTA AS TRUSTEE FOR CREDIT SUISSE FIRST BOSTON MORTGAGE PASS THROUGH
 RTIFICATES SERIES 1997-C2
 D. 391690
 LON, OH 44139
 AN# 3670023

OPTIONAL COVERAGES

The following optional coverages are added under this policy when designated by an "X" in the box(es)
 shown below.

	Limits of Insurance	<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or	\$ _____ Inside the Premises	
<input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS**PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE**

ADDITIONAL	RETURN
\$	\$

REMOVAL PERMIT If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

BUSINESSOWNERS
BP 12 01 01 87

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
MED INSURED		AUTHORIZED
HENKMAN-KUSHNER AFFILIATES		REPRESENTATIVE

CHANGES

1201-6

RTGAGEE LOCATION 4-6 THREE CENTURY ROAD
 LSTATE LIFE INSURANCE COMPANY OF NEW YORK
 FILIATES, SUBSIDIARIES OR ASSIGNEES
 MORTGAGEE LOSS PAYEE ON RENTAL INCOME
 O LEGG MASON REAL ESTATE SERVICES INC
 050 NW 79TH COURT SUITE 101
 AMI LAKES, FL 33016

OPTIONAL COVERAGES

The following optional coverages are added under this policy when designated by an "X" in the box(es)
 shown below.

	Limits of Insurance	<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS**PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE**

ADDITIONAL	RETURN
\$	\$

ADDITIONAL If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

IS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
PROD INSURED	AUTHORIZED	
HENKMAN-KUSHNER AFFILIATES	REPRESENTATIVE	

CHANGES

1201-7
MORTGAGEE FOR LOCATION #3 BUILDINGS 1,2,3,4,5,6,7,8,9,10,11, AND 12
AS SUBSERVICER FOR MIDLAND LOAN SERVICES INC, MASTERSERVICER FOR WELLS
FARGO BANK MINNESOTA, NA TRUSTEE FOR SALOMAN BROTHERS MORTGAGE SECURITIES VII
COMMERCIAL MORTGAGE PASS THROUGH CERTIFICATES, SERIES 2001-C2
100 WITMER ROAD
PHILADELPHIA, PA 19044

OPTIONAL COVERAGES

The following optional coverages are added under this policy when designated by an "X" in the box(es)
shown below.

	Limits of Insurance	<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS

PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE

ADDITIONAL	RETURN
\$	\$

REMOVAL If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

BUSINESSOWNERS
BP 04 17 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT - RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

The following exclusion is added to Section **B. EXCLUSIONS** of the Businessowners Liability Coverage Form:

This insurance does not apply to:

1. "Bodily injury" or "personal injury" to:

a. A person arising out of any:

- (1) Refusal to employ that person;
- (2) Termination of that person's employment; or
- (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal injury" to that person whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

BUSINESSOWNERS
BP 81 34 12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS ENHANCEMENT ENDORSEMENT

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS LIABILITY COVERAGE FORM

- A. The BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM is modified as follows:**
1. Paragraph (b) of Section A.1.(6) is amended to read:
 - (b) Materials, equipment, supplies and temporary structures on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structures.
 2. Under Section A.1.b. Business Personal Property, 100 feet is changed to 1,000 feet.
 3. Paragraph e. of Section A.2. is amended to read:
 - e. Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
 4. Paragraph b. of Section A.4. is amended to read:
 - b. With respect to glass (other than glass building blocks) that is part of the interior or exterior of a building or structure, or part of an outdoor sign, we will not pay more than \$2,000 for the total of all loss or damage in any one occurrence. Subject to the \$2,000 limit on all loss or damage, we will not pay more than \$500 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This limitation does not apply to loss or damage by the "specified causes of loss" except vandalism.
 5. Paragraph (3) of Section A.4.d. is amended to read:
 - (3) \$5,000 for patterns, dies, molds and forms.
 6. Paragraph (4) of Section A.5.a. is amended to read:
 - (4) If:
 - (a) The sum of direct physical loss damage and debris removal expense exceeds the limit of insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25 Debris Removal coverage limitation paragraph (2) above;

we will pay up to an additional \$25,000 at each location in any one occurrence under the Debris Removal Additional Coverage.
 7. Paragraph b. of Section A.5. is amended to read:
 - b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve from or for repair of loss or damage by Covered Cause of Loss, we will pay for a direct physical loss of or damage to the property:

 - (1) While it is being moved or while temporarily stored at another location and
 - (2) Only if the loss or damage occurs within 30 days after the property is first moved.
 8. Paragraph c. of Section A.5. is amended to read:
 - c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from Covered Cause of Loss, we will pay up to \$10,000 for your liability for fire department services charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.

BUSINESSOWNER
BP 81 34 12 9

9. Under Section A.5.f.(1) Business Income and Paragraph A.5.f.(1)(b), 100 feet is changed to 1,000 feet.

10. Under Section A.5.g. Extra Expense (1) and Paragraph A.5.g.(1)(b), 100 feet is changed to 1,000 feet.

11. Paragraph h. of Section A.5. is amended to read:

h. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

(1) The date of direct physical loss or damage; or

(2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$25,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

12. Paragraph j. of Section A.5. is amended to read:

j. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

(1) Any U.S. or Canadian post office, express company or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or

(2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is \$2,000.

13. Paragraph (3) of Section A.5.k. Forgery and Alteration is amended to read:

(3) The most we will pay for any loss, including legal expenses, under the Additional Coverage is \$5,000.

14. Item l. is added to Section A.5.

l. Increased Cost of Construction

(1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of the property, subject to the limitation stated in l.(3) through l.(9) of this Additional Coverage.

(3) The ordinance or law referred to in l.(2) of this Additional Coverage is a ordinance or law that regulated the construction or repair of buildings and establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

(a) You were required to comply with before the loss, even when the building was undamaged; and

(b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of "pollutants".

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$5,000.

The amount payable under this Additional Coverage is additional insurance.

BUSINESSOWNER
BP 81 34 12 9**(7) With respect to this Additional Coverage:****(a) We will not pay for the Increased Cost of Construction:****(i)** Until the property is actually repaired or replaced, at the same or another premises; and**(ii)** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.**(b)** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.**(c)** If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.**(8)** This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.**(9)** The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in I.(6) of this Additional Coverage, is not subject to such limitation.**15. Item 6. Coverage Extensions of Section A. is replaced by:****6. Coverage Extensions**

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

a. Personal Property at Newly Acquire Premises**(1)** You may extend the insurance that applies to Business Personal Property to apply to that property at another premises you acquire.

The most we will pay for loss or damage under this extension is \$100,000 at each premises.

(2) Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:**(a)** This policy expires;**(b)** 60 days expire after you acquire or begin construction at the new premises; or**(c)** You report values to us.

We will charge you additional premium for values reported from the date you acquire the premises.

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to Covered Business Personal Property other than money and securities, while it is in the course of transit or temporarily at premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants including debris removal expense, caused by or resulting from any of the following causes of loss:

(1) Fire**(2)** Lightning**(3)** Explosion**(4)** Riot or Civil Commotion; or**(5)** Aircraft

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$1,000 for any one tree, shrub or plant.

BUSINESSOWNER
BP 81 34 12 9

d. Valuable Papers and Records - Cost of Research

You may extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$5,000 at each described premises.

e. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or your employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500.

f. Newly Acquired or Constructed Property

(1) If the limit of insurance shown in the Declarations is 90% or more of the full replacement cost of the buildings insured, you may extend the insurance that applies to Buildings to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations other than the described premises intended for:
 - (i) Similar use as the buildings described in the Declarations; or
 - (ii) use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000.

(2) Insurance under this Extension for each newly acquired or constructed building will end when any of the following first occurs:

(a) This policy expires;

(b) 60 days expire after you acquire or begin construction at the new premises; or

(c) You report values to us.

We will charge you additional premiums for values reported from the date you acquire or begin construction on the building(s).

16. Item 2. under C. LIMITS OF INSURANCE replaced by:

2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$2,500 per sign in any one occurrence.

B. The BUSINESSOWNERS LIABILITY COVERAGE FORM is modified as follows:

1. Paragraph (2) under Section A.1. Coverage Extension - Supplemental Payments is amended to read:

(2) Up to \$1,000 for cost of bail bond required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

2. Paragraph (4) under Section A.1. Coverage Extensions - Supplemental Payments is amended to read:

(4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit" including actual loss of earnings up to \$350 a day because of time off from work.

3. Paragraph 3. under Section D. LIABILITY AND MEDICAL EXPENSES: LIMITS OF INSURANCE is amended to read:

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner resulting from fire, lightning or explosion or any combination of the three is the greater of:

- a. \$300,000; or
- b. the Fire Legal Liability Limits shown in the Declaration.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY - NEW YORK

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NEW JERSEY CHANGES - CANCELLATION
AND NONRENEWAL**

is endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS POLICY
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART

Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:

2. If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

a. We may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice, of cancellation, at least:

(1) 10 days before the effective date of cancellation if we cancel for:

(a) Nonpayment of premium; or

(b) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

(i) "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and

(ii) "The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation.

The following is added to the **Cancellation Common Policy Condition**:

7. Cancellation Of Policies In Effect For 60 Days Or More

a. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);
- (3) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
- (4) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
- (5) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
- (6) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
- (7) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
- (8) Loss of or reduction in available insurance capacity;
- (9) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
- (10) Loss of or substantial changes in applicable reinsurance;
- (11) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;

- (12) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefor and a reasonable opportunity to respond;

(13) Agency termination, provided:

(a) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or

(b) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.

(14) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.

b. If we cancel this policy based on Paragraphs 7.a.(1) or (2) above, we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this policy, not more than 120 days nor less than 30 days before the effective date of such cancellation.

c. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.

d. Notice will be sent to the last mailing addresses known to us, by:

(1) Certified mail; or

(2) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.

e. We need not send notice of cancellation if you have:

- (1) Replaced coverage elsewhere; or
- (2) Specifically requested termination.

The following is added and supersedes any other provision to the contrary:

NONRENEWAL

1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of non-renewal, stating the reasons for nonrenewal, to the first Named Insured at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.

2. This notice will be sent to the first Named Insured at the last mailing address known to us by:

- a. Certified mail; or
- b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.

3. We need not mail or deliver this notice if you have:

- a. Replaced coverage elsewhere; or
- b. Specifically requested termination.

ABSOLUTE ASBESTOS EXCLUSION

This endorsement changes the policy. Please read it carefully.

This endorsement modifies insurance provided under the following:

**Businessowners Liability Coverage Form
Commercial General Liability Coverage Form**

In consideration of the premium charge, it is agreed that the insurance provided by this policy shall not apply to any loss, claim or expense caused by, resulting from or arising out of asbestos, exposure to asbestos or any product containing asbestos.

It is further agreed that we shall have no duty or obligation to provide or pay for the investigation or defense of any loss, cost, expense, claim or suit excluded herein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - VENDORS

s endorsement modified insurance provided under the following:

Businessowners Liability Coverage Form

SCHEDULE

me of Person or Organization (Vendor):

ur Products:

o entry appears above, information required to complete this endorsement will be shown in the Declarations applicable to this endorsement.

o following is added to Section C. WHO IS AN INSURED in the Businessowners Liability Coverage Form:

Any person or organization (referred to below as "vendor") shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional provisions:

- a. The insurance afforded the vendor does not apply to:
 - i. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
 - ii. Any express warranty unauthorized by you;
 - iii. Any physical or chemical change in the product made intentionally by the vendor;
 - iv. Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - v. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - vi. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - vii. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor.
- b. This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container entering into, accompanying or containing such products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED -
MORTGAGEE, ASSIGNEE, OR RECEIVER**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Name of Person or Organization:

Designation of Premises:

The following is added to. Paragraph C. WHO IS AN INSURED in the Businessowners Liability Coverage Form:

4. The person or organization shown in the Schedule is also an insured, but only with respect to liability as mortgagee, assignee, or receiver and arising out of the owner-

ship, maintenance, or use of the premises by you and as shown in the Schedule.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

BUSINESSOWNERS
BP 04 16 06 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - LESSOR OF
LEASED EQUIPMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Name of Person or Organization:

Description of Leased Equipment:

Location(s) of Leased Equipment:

The following is added to Paragraph C. WHO IS AN INSURED in the Businessowners Liability Coverage Form:

1. The person or organization shown in the Schedule is also an insured, but only with respect to liability arising out of the maintenance, operation or use by you of equipment leased to you by that person or organization and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

- A. Any "occurrence" which takes place after the equipment lease expires; or
- B. "Bodily injury" or "property damage" arising out of the sole negligence of the person or organization shown in the Schedule.

Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

Advisory Notice to Policyholders

We have added two endorsements to your renewal policy:

Terrorism Disclosure Endorsement

This endorsement does not grant any coverage or change any terms or conditions of any coverage under your policy. This endorsement provides the disclosure of premium information and federal government participation in certified losses as required under the Terrorism Risk Insurance Act of 2002.

Cap on Losses From Certified Acts of Terrorism Endorsement

This endorsement modifies your coverage to limit coverage for certified acts of terrorism to the amounts we are responsible to pay under the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act)

No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, the provisions of this policy shall prevail.

Terrorism Risk Insurance Act Endorsement

Attached to and forming part of policy number

Effective

Named Insured

This endorsement is attached to your policy pursuant to the Terrorism Risk Insurance Act of 2002.

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective Nov 26, 2002, that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasurer, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an aircraft carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States Government by coercion.

You should know that coverage provided by this policy for losses caused by Certified Acts of Terrorism is partially reimbursed by the United States under a formula established by Federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of the loss covered by the Federal Government under the Act.

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

In this state a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism- coverage for such fire losses will be provided in your policy. The additional premium for just such fire coverage is stated in the disclosure of premium section.

Disclosure of Premium

Coverage for Certified Acts of Terrorism as defined in the Act is included in your policy. The portion of your annual premium which is attributable to coverage for terrorist attacks certified under the Act is \$ 0.00. The premium for terrorism (fire only) coverage is \$0.00.

You may reject this coverage, by signing the statement below and returning it to us. Your policy will be written to exclude the described coverage.

Rejection Statement

I hereby reject the offer of terrorism coverage. I understand that an exclusion of certain terrorism losses will be made part of this policy. There will be no change in premium.

Signature of Named Insured

Date

BUSINESSOWNERS
BP 10 04 04 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies Insurance provided under the following:

BUSINESSOWNERS STANDARD AND SPECIAL PROPERTY COVERAGE FORMS

Including any attached endorsement that may provide specialized coverage on computers.

The following exclusion is added to paragraph B.,
Exclusions in the BUSINESSOWNERS STANDARD
AND SPECIAL PROPERTY COVERAGE FORMS:We will not pay for loss or damage, caused
by the following. Such loss or damage is
excluded regardless of any other cause or
event that contributes concurrently or in
any sequence to the loss or damage.a. The failure, malfunction or inadequacy
of:(1) Any of the following, whether
belonging to any insured or to
others:(a) Computer hardware, including
microprocessors or other
Electronic Data Processing
Equipment as may be
described elsewhere in this
policy;(b) Computer application software
or other Electronic Media and
Records as may be described
elsewhere in this policy;(c) Computer operating systems
and related software;

(d) Computer networks;

(e) Microprocessors (computer
chips) not part of any
computer system; or(f) Any other computerized or
electronic equipment or
components; or(2) Any other products, and any
services, data or functions that
directly or indirectly use or
rely upon, in any manner, any
of the items listed in Paragraph
1.a.(1) of this endorsement; due to
the inability to correctly recognize,
distinguish, interpret or accept one or
more dates or times. An example is
the inability of computer software to
recognize the year 2000.b. Any advice, consultation, design,
evaluation, inspection, installation,
maintenance, repair, replacement or
supervision provided or done by you
or for you to determine, rectify or test
for, any potential or actual problems
described in Paragraph 1.a. of this
endorsement.2. If excluded loss or damage, as described in
Paragraph 1.a. of this endorsement results in:a. A "Specified Cause of Loss" under the
Businessowners Special Property
Coverage Form; orb. A Covered Cause of Loss under the
Businessowners Standard Property
Coverage Form;we will pay only for the loss or damage
caused by such "Specified Cause of Loss"
or Covered Cause of Loss.3. We will not pay for repair, replacement
modification of any items in 1.a.(1) or
1.a.(2) of this endorsement to correct
any deficiencies or change any features.

- b. Determined in accordance with paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

Applicable to Businessowners Property coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;

- (2) A business firm:

- (a) Owned or controlled by you; or
 - (b) That owns or controls you; or

- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

K. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**NCEALMENT, MISREPRESENTATION OR
UD**

policy is void in any case of fraud by you as it
relates to this policy at any time. It is also void if
you or any other insured, at any time, intentionally
conceal or misrepresent a material fact concerning:

This policy;

The Covered Property;

Your interest in the Covered Property; or

A claim under this policy.

**AMINATION OF YOUR BOOKS AND
CORDS**

We may examine and audit your books and records
which they relate to this policy at any time during the
policy period and up to three years afterward.

SPECTIONS AND SURVEYS

We have the right but are not obligated to:

Make inspections and surveys at any time;

Give you reports on the conditions we find; and

Recommend changes.

Inspections, surveys, reports or recommendations
relate only to insurability and the premiums to
be charged. We do not make safety inspections.
We do not undertake to perform the duty of any
person or organization to provide for the health or
safety of workers or the public. And we do not warrant
that conditions:

Are safe or healthful; or

Comply with laws, regulations, codes or stan-
dards.

This condition applies not only to us, but also to
any rating, advisory, rate service or similar or-
ganization which makes insurance inspections,
surveys, reports or recommendations.

**URANCE UNDER TWO OR MORE
COVERAGES**

If more than one of this policy's coverages apply to the
loss or damage, we will not pay more than the
amount of the loss or damage.

G. LIBERALIZATION

If we adopt any revision that would broaden the
coverage under this policy without additional pre-
mium within 45 days prior to or during the policy
period, the broadened coverage will immediately
apply to this policy.

H. OTHER INSURANCE

1. If there is other insurance covering the same
loss or damage, we will pay only for the amount
of covered loss or damage in excess of the
amount due from that other insurance, whether
you can collect on it or not. But we will not pay
more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over any
other insurance that insures for direct physical
loss or damage.
3. When this insurance is excess, we will have no
duty under Business Liability Coverage to de-
fend any claim or "suit" that any other insurer
has a duty to defend. If no other insurer de-
fends, we will undertake to do so; but we will be
entitled to the insured's rights against all those
other insurers.

I. PREMIUMS

1. The first Named Insured shown in the Declara-
tions:
 - a. Is responsible for the payment of all pre-
miums; and
 - b. Will be the payee for any return premiums
we pay.
2. The premium shown in the Declarations was
computed based on rates in effect at the time
the policy was issued. On each renewal, con-
tinuation or anniversary of the effective date of
this policy, we will compute the premium in ac-
cordance with our rates and rules then in effect.
3. With our consent, you may continue this policy
in force by paying a continuation premium for
each successive one-year period. The premium
must be:
 - a. Paid to us prior to the anniversary date; and

BUSINESSOWNERS
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BUSINESSOWNERS COMMON POLICY CONDITIONS

Provisions of this policy are subject to the following conditions.

CANCELLATION

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (a) Seasonal unoccupancy; or
- (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a covered cause of loss, permanent repairs to the building:

- (a) Have not started, and
- (b) Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:

- (a) An outstanding order to vacate;
- (b) An outstanding demolition order; or
- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

- (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

- c. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

c. This hazard does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

i. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

j. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

k. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

18. "Your Product" means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) You;

(2) Others trading under your name; or

(3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

19. "Your Work" means:

a. Work or operations performed by you or on your behalf; and

b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

b. The providing of or failure to provide warnings or instructions.

1. "Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
 - a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
13. "Personal Injury" means injury, other than "bodily injury," arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
14. a. "Products - Completed Operations Hazard" includes all "bodily injury" and "property damage" arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. "Your work" will be deemed completed at the earliest of the following times:
 - (1) When all of the work called for in your contract has been completed.
 - (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

6. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Impaired Property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

8. "Insured Contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services; or

9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."

10. "Loading or Unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertising Injury" means injury arising out of one or more of the following offenses:
 - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - b. Oral or written publication of material that violates a person's right of privacy;
 - c. Misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
3. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage Territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

2. The most we will pay for the sum of all damages because of all:

- a. "Bodily injury," "property damage" and medical expenses arising out of any one "occurrence"; and
- b. "Personal injury" and "advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

3. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire or explosion is the Fire Legal Liability limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. Injury or damage under the "products-completed operations hazard" arising from all "occurrences" during the policy period is the Liability and Medical Expenses limit; and
- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is twice the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

1. Each of the following is also an insured:

- a.** Your "employees," other than your "executive officers," but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for:

(1) "Bodily injury" or "personal injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), or to a co-"employee" while in the course of his or her employment or while performing duties related to the conduct of your business;

- (b)** To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph **(1)(a)** above;

- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in paragraphs **(1)(a)** or **(b)**; or

- (d)** Arising out of his or her providing or failing to provide professional health care services. However, if you have "employees" who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or

(2) "Property damage" to property:

- (a)** Owned, occupied or used by,

- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees" or if you are a partnership or joint venture, by any partner or member.

- b.** Any person (other than your "employee"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and

- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

- 3.** With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a.** "Bodily injury" to a co-"employee" of the person driving the equipment; or

- b.** "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

- 1.** The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a.** Insureds;

- b.** Claims made or "suits" brought; or

- c.** Persons or organizations making claims or bringing "suits."

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereof.

As used in this exclusion:

"By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for:
 - (1) Separating the isotopes of uranium or plutonium;
 - (2) Processing or utilizing "spent fuel"; or
 - (3) Handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear material" means "source material," "special nuclear material" or "by-product material";

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"property-damage" includes all forms of radioactive contamination of property;

"source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"waste" means any waste material:

- (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- (b) Resulting from the operation by any person or organization of any "nuclear facility" included under paragraphs (a) and (b) of the definition of "nuclear facility."

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c. An organization other than a partnership or joint venture, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

- (2) The failure of goods, products or services to conform with advertised quality or performance;
- (3) The wrong description of the price of goods, products or services; or
- (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

Exclusions c., d., e., f., g., h., i., k., l., m., n. and o. do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D., Limits of Insurance.

2. Applicable to Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard."
- g. Excluded under Business Liability Coverage.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

3. Applicable to both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion.

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":

- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

- (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

- (1) The "nuclear material":

- (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

- (b) Has been discharged or dispersed therefrom;

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

l. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal or Advertising Injury

"Personal injury" or "advertising injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured; or
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

q. Advertising Injury

"Advertising injury" arising out of:

- (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:
 - (a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Professional Services

"Bodily injury," "property damage," "personal injury" or "advertising injury" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Ear piercing services; and
- (9) Services in the practice of pharmacy; but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.

k. Damage to Property

"Property damage" to:

- (1) Property you own, rent or occupy;

e. Employer's Liability

"Bodily Injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:

- (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
- (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

Subparagraphs (a) and (d)(i) do not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$100 a day because of time off from work.
- (5) All costs taxed against the insured in the "suit."
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

I. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

B. EXCLUSIONS

- 1. **Applicable to Business Liability Coverage -**
This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (2) That the insured would have in the absence of the contract or agreement.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation and Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

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BUSINESSOWNERS LIABILITY COVERAGE FORM

ious provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and at is and is not covered.

oughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The rds "we," "us" and "our" refer to the Company providing this insurance.

a word "insured" means any person or organization qualifying as such under SECTION C - WHO IS AN SURED.

ter words and phrases that appear in quotation marks have special meaning. Refer to SECTION F - BILITY AND MEDICAL EXPENSES DEFINITIONS.

COVERAGES

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in SECTION D - LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS.

b. This insurance applies:

(1) To "bodily injury" or "property damage" only if:

(a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(b) The "bodily injury" or "property damage" occurs during the policy period.

(2) To:

(a) "Personal injury" caused by an offense arising out of your business, excluding advertising, publishing, broadcasting or telecasting done by or for you;

(b) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if the offense was committed in the "coverage territory" during the policy period.

c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."

d. Coverage Extension - Supplementary Payments

In addition to the Limit of Insurance, we will pay, with respect to any claim or "suit" we defend:

(1) All expenses we incur.

(2) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

THIS POLICY CONTAINS AGGREGATE LIMITS;
REFER TO SECT. D, PART 4 LIMITS OF
INSURANCE FOR DETAILS (BOP)

5. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

3. **"Specified Causes of Loss"** means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

(c) Vessels heated directly or indirectly that:

(i) Form part of an absorption type system; and

(ii) Function as a generator, regenerator or concentrator;

(d) Compressors, pumps, fans and blowers used solely with the system together with their driving electric motors; and

(e) Control equipment used solely with the system.

e. Object does not mean:

(1) As Boiler and Pressure Vessels:

(a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;

(b) Boiler settings;

(c) Insulating or refractory material; or

(d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.

(2) As Air Conditioning Units, any:

(a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or

(b) Wiring or piping leading to or from the unit.

f. We will not pay for an Accident to any Object while being tested.

g. Suspension

Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:

(1) Your last known address; or

(2) The address where the Object is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. PROPERTY DEFINITIONS

1. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

2. "Operations" means your business activities occurring at the described premises.

3. "Period of Restoration" means the period of time that:

a. Begins:

(1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

(2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

(1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

(1) Regulates the construction, use or repair, or requires the tearing down of any property; or

(2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
INSURED	AUTHORIZED REPRESENTATIVE	
WENKMAN-KUSHNER AFFILIATES		

CHANGES

201-4

GAGEE FOR LOCATION #1-6
ARK SERVICES LP IN TRUST FOR WELLS FARGO BANK MINNESOTA N.A AS TRUSTEE FOR
BENEFIT OF HOLDERSD OF CREDIT SUISSE FIRST BOSTON MORTGAGE SECURITIES CORP
ERIAL MORTGAGE PASS THROUGH CERTIFICATES

ADDITIONAL COVERAGES		
Following optional coverages are added under this policy when designated by an "X" in the box(es) below.		
	Limits of Insurance	<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
Outdoor Signs	\$	\$
Exterior Grade Floor Glass	None	
Burglary and Robbery (Standard Form only) or Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
Employee Dishonesty	_____ each occurrence	
Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS	
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE	
ADDITIONAL	RETURN
\$	\$

VAL IT If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

zed Representative Signature

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

S ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

CY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
ED INSURED	AUTHORIZED	
ENKMAN-KUSHNER AFFILIATES	REPRESENTATIVE	

CHANGES

201-3

GAGEE FOR LOC 4, BLDG 8
IVENT FINANCIAL FOR LUTHERANS
JA
ESTMENTS MORTGAGE & REAL ESTATE
G.S. WILCOX & CO.
SOUTH STREET
RISTOWN, NJ 07960

OPTIONAL COVERAGES		
Following optional coverages are added under this policy when designated by an "X" in the box(es) in below.		<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
	Limits of Insurance	
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ Inside the Premises \$ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS	
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE	
ADDITIONAL	RETURN
\$	\$

OPTIONAL: If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

BUSINESSOWNERS
BP 12 01 01 87

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

S ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
ED INSURED	AUTHORIZED	
ENKMAN-KUSHNER AFFILIATES	REPRESENTATIVE	

CHANGES

201-3

POLICES WILL CONTRIBUTE EQUAL AMOUNTS UNTIL NONE OF THE LOSS REMAINS OR
 IL THE TOTAL AMOUNT PAID EQUALS THE APPLICABLE LIMIT OF THE PARTICULAR POLICY
 HAVE PROVIDED TO YOU WHICH HAS THE HIGHEST APPLICABLE LIMITS COVERING THE
 S, WHICHEVER COMES FIRST. IN NO EVENT WILL THE APPLICABLE LIMITS OF
 BILITY UNDER THIS POLICY OR ANY OTHER INSURANCE POLICY WE HAVE ISSUED TO YOU
 STACKED OR ADDED TOGETHER FOR THE SAME "OCCURENCE".
 BUSINESS LIABILITY COVERAGE IS EXCESS OVER ANY OTHER INSURANCE PROVIDED TO
 BY AND INSURER OTHER THAN US THAT INSURES FOR DIRECT PHYSICAL LOSS OR DAMAGE

ONAL COVERAGES

Following optional coverages are added under this policy when designated by an "X" in the box(es)
 n below.

	Limits of Insurance	<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or	\$ _____ Inside the Premises	
<input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS**PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE**

ADDITIONAL	RETURN
\$	\$

IV If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to
 include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that
 the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after
 the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

BUSINESSOWNERS
BP 12 01 01 87

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

IS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
ADDED INSURED	AUTHORIZED	
HEINKMAN-KUSHNER AFFILIATES	REPRESENTATIVE	

CHANGES

1201-2

ADDED INSURED ADDED: STOUTS-BRUNSWICK ASSOCIATES, LP
LOC#2 -BLDG #4
LOC#2 -BLDG#5

OPTIONAL COVERAGES

The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.		<input type="checkbox"/> Add'l Premium
	Limits of Insurance	<input type="checkbox"/> Return Premium
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS

PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE

ADDITIONAL	RETURN
\$	\$

OPTIONAL If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

BUSINESSOWNERS
BP 12 01 01 87

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
NAMED INSURED	AUTHORIZED	
CHENKMAN-KUSHNER AFFILIATES	REPRESENTATIVE	

CHANGES

PI201-2

IT IS HEREBY AGREED AND UNDERSTOOD THAT THE FOLLOWING CHANGES ARE MADE TO THE BUSINESSOWNERS COMMON POLICY CONDITIONS:

SECTION H, PARAGRAPH 1 AND 2 ARE AMENDED TO READ AS FOLLOWS:

IF THERE IS OTHER INSURANCE PROVIDED TO YOU BY AN INSURER OTHER THAN US COVERING THE SAME LOSS OR DAMAGE, WE WILL PAY ONLY FOR THE AMOUNT OF COVERED LOSS OR DAMAGE IN EXCESS OF THE AMOUNT DUE FROM THAT OTHER INSURANCE WHETHER YOU CAN COLLECT ON IT OR NOT. BUT WE WILL NOT PAY MORE THAN THE APPLICABLE LIMIT OF INSURANCE. IF, HOWEVER, OTHER VALID AND COLLECTIBLE INSURANCE IS AVAILABLE TO YOU UNDER ANOTHER INSURANCE POLICY PROVIDED TO YOU BY US FOR A LOSS COVERED UNDER THE BUSINESSOWNERS LIABILITY COVERAGE FORM OF THIS POLICY, THEN EACH OF

OPTIONAL COVERAGES

The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.

	Limits of Insurance	<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	

TOTAL PREMIUM ADJUSTMENTS

PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE

ADDITIONAL	RETURN
\$	\$

REMOVAL If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Authorized Representative Signature

BUSINESSOWNERS
BP 12 01 01 87

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER	POLICY CHANGES	COMPANY
BO 800836	EFFECTIVE 05/30/2006	QUINCY MUTUAL FIRE INS. CO.
NAMED INSURED	AUTHORIZED REPRESENTATIVE	
SCHENKMAN-KUSHNER AFFILIATES		
CHANGES		
BP1201-1		
LIST OF NAMED INSUREDS ON FILE WITH COMPANY MORTGAGEE: FIRST UNION NATIONAL BANK AS SERVICER, ON BEHALF OF NORWEST BANK OF MINNESOTA AS TRUSTEE FOR CREDIT SUISSE FIRST BOSTON MORTGAGE COMMERCIAL MORTGAGE PASS THROUGH CERTIFICATE SERIES 1997-C2 8739 RESEARCH DRIVE CHARLOTTE, NC 28288-1075		
OPTIONAL COVERAGES		
The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.		<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
	Limits of Insurance	
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	
TOTAL PREMIUM ADJUSTMENTS		
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE		
ADDITIONAL	RETURN	
\$	\$	
REMOVAL PERMIT		
If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.		

Authorized Representative Signature

BUSINESSOWNERS
BP 12 01 01 87

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY CHANGES

THIS ENDORSEMENT FORMS A PART OF THE POLICY NUMBERED BELOW.

POLICY NUMBER BO 800836	POLICY CHANGES EFFECTIVE 05/30/2006	COMPANY QUINCY MUTUAL FIRE INS. CO.
NAMED INSURED SCHENKMAN-KUSHNER AFFILIATES		AUTHORIZED REPRESENTATIVE
<p style="text-align: center;">CHANGES</p> <p>BP1201</p> <p>NAMED INSURED S/K JACKSON GREEN ASSOCIATES LLC</p>		
OPTIONAL COVERAGES		
The following optional coverages are added under this policy when designated by an "X" in the box(es) shown below.		<input type="checkbox"/> Add'l Premium <input type="checkbox"/> Return Premium
	Limits of Insurance	
<input type="checkbox"/> Outdoor Signs	\$	\$
<input type="checkbox"/> Exterior Grade Floor Glass	None	
<input type="checkbox"/> Burglary and Robbery (Standard Form only) or <input type="checkbox"/> Money and Securities (Special Form only)	\$ _____ Inside the Premises \$ _____ Outside the Premises	
<input type="checkbox"/> Employee Dishonesty	_____ each occurrence	
<input type="checkbox"/> Mechanical Breakdown	Included	
TOTAL PREMIUM ADJUSTMENTS		
PREMIUM DUE AT POLICY CHANGE EFFECTIVE DATE		
ADDITIONAL	RETURN	
\$	\$	
REMOVAL PERMIT If Covered Property is removed to a new location that is described on this Policy change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.		

Authorized Representative Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION - YEAR 2000 COMPUTER-RELATED AND
OTHER ELECTRONIC PROBLEM**

This endorsement modifies Insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to paragraph B.,
Exclusions in the BUSINESSOWNERS LIABILITY
COVERAGE FORM:

1. This insurance does not apply to "bodily injury",
"property damage", "personal injury" or
"advertising injury" arising directly or indirectly
out of:

a. Any actual or alleged failure, malfunction, or
inadequacy of:

(1) Any of the following, whether belonging
to any insured or to others:

(a) Computer hardware, including
microprocessors or other Electronic
Data Processing Equipment as may
be described elsewhere in the
policy;

(b) Computer application software or
other Electronic Media and Records
as may be described elsewhere in
the policy;

(c) Computer operating systems and
related software;

(d) Computer networks;

(e) Microprocessors (computer chips)
not part of any computer system; or

(f) any other computerized or electronic
equipment or components; or

(2) Any other products and any services,
data or functions that directly or
indirectly use or rely upon, in any
manner, any of the items listed in
Paragraph 1.a.(1) of this endorsement
due to the inability to correctly
recognize, process, distinguish,
interpret or accept the year 2000 and
beyond.

b. Any advice, consultation, design, evaluation,
inspection, installation, maintenance, repair,
replacement or supervision provided or
done by you or for you to determine, rectify
or test for, any potential or actual problems
described in Paragraph 1.a. of this
endorsement.

F. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration Expenses are not a part of the excess contribution for which Liquidated Damages are calculated. Arbitration Expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

(b) Some liability exists under both the Boiler and Machinery Policy and this Businessowners Policy; or

(3) Both the Boiler and Machinery insurer(s) and we:

(a) Do not admit to any liability for payment; and

(b) Contend that some or all liability exists under the other insurer's policy; and

3. The total amount of the loss is agreed to by you, the Boiler and Machinery insurer(s) and us.

D. If the requirements listed in Paragraph C. above are satisfied, we and the Boiler and Machinery insurer(s) will make payments to the extent, and in the manner, described as follows:

1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this Businessowners Policy and one-half (1/2) the amount of the loss that is in disagreement.
2. The Boiler and Machinery insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the Boiler and Machinery Policy and one-half (1/2) the amount of loss that is in disagreement.
3. Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs 1. and 2. do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
4. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Agreement(s) of the Boiler and Machinery Policy.
5. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no boiler and machinery policy been in effect at the time of loss. In no event will we pay more than the applicable Limit of Insurance shown in the Declarations.
6. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

E. Arbitration

1. If the circumstances described in Paragraph C.2.a. exist and the Boiler and Machinery insurer(s) and we agree to submit our differences to arbitration, the Boiler and Machinery insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this endorsement.
2. If any of the circumstances described in Paragraph C.2.b. exist, then the Boiler and Machinery insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this endorsement.
3. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the Boiler and Machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

JOINT OR DISPUTED LOSS AGREEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNER SPECIAL PROPERTY COVERAGE FORM

A. This endorsement is intended to facilitate payment of insurance proceeds when:

1. Both a Boiler and Machinery Policy and this Businessowners Policy are in effect;
2. Damage occurs to Covered Property that is insured by the Boiler and Machinery Policy and this Businessowners Policy; and
3. There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.

B. This endorsement does not apply if:

1. Both the Boiler and Machinery insurer(s) and we do not admit to any liability; and
2. Neither the Boiler and Machinery insurer(s) nor we contend that coverage applies under the others insurer's policy.

C. The provisions of this endorsement apply only if all of the following requirements are met:

1. The Boiler and Machinery Policy carried by the named insured, insuring the Covered Property, contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this endorsement;
2. The damage to the Covered Property was caused by a loss for which:
 - a. Both the Boiler and Machinery insurer(s) and we admit to some liability for payment under the respective policies; or
 - b. Either:
 - (1) The Boiler and Machinery insurer(s) does not admit to any liability for payment while we contend that:
 - (a) All liability exists under the Boiler and Machinery Policy; or
 - (b) Some liability exists under both the Boiler and Machinery Policy and this Businessowners policy;
 - (2) We do not admit to any liability for payment, while the Boiler and Machinery insurer(s) contends that:
 - (a) All liability exists under this Commercial Property Policy; or

**BUSINESSOWNERS
BP 80 26 12 97**

The most we will pay under this extension is \$10,000. If Limits of Insurance are shown in the Declarations for Accounts Receivable, the Limits specified in the Declarations for Accounts Receivable will be in addition to the limits specified above in this Extension, subject to the terms and conditions of the Accounts Receivable Coverage Form.

2. Under Coverage Extensions, Section A.6. Paragraph d. is replaced by the following:

d. "Valuable Papers and Records"

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "Valuable Papers and Records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research lost information on "Valuable Papers and Records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
 - (a) Property held as samples or for delivery after sale;
 - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "Valuable Papers and Records" in any one occurrence at the described premises is \$10,000.

If Limits of Insurance are shown in the Declarations for "Valuable Papers and Records", the Limits specified in the Declarations for "Valuable Papers and Records" will be in addition to the limits specified above in this Extension, subject to the terms and conditions of the "Valuable Papers and Records" Coverage Form.

For "Valuable Papers and Records" not at the described premises, the most we will pay is \$2,500.

- (4) Section B. Exclusions of this Coverage Form do not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War and Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.3; and
- (g) The Accounts Receivable and "Valuable Papers and Records" Exclusion.

3. Under LIMITS OF INSURANCE, Section C., Paragraph 2. is amended to read:

2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$10,000 per sign in any one occurrence.

C. The BUSINESSOWNERS DECLARATION is modified as follows:

1. The Medical Payments Limit is amended to read \$10,000.

3. a. Our obligation to pay "damages" on behalf of the insured applies only to the amount of "damages" in excess of a deductible amount of \$1,000 applicable to each "claim" for "damages" sustained by any one "employee" or "former employee" including the "employee's" dependents and beneficiaries, because of an act, error or omission covered by this insurance.
- b. The terms of this insurance, including those with respect to:
 - 1) Our right and duty to defend any "suits" seeking those "damages"; and
 - 2) Your duties in the event of an act, error or omission,
 apply irrespective of the application of the deductible amount.
- c. We may pay any part of all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
- d. The Limit of Insurance shall not be reduced by the application of the deductible amount.

5. With respect to Employee Benefit Liability Coverage, the following condition applies in addition to the Businessowner Liability Conditions:

Duties In The Event Of Act, Error Or Omission, "Claim" Or "Suit"

You must see to it that we are notified in writing as soon as practicable of an act, error or omission that may result in a "claim" under this insurance. Notification on your behalf will be in accordance with Condition 2., Duties In The Event Of Occurrence, "Claim" Or "Suit", of the Businessowners Liability Coverage Form.

6. With respect to Employee Benefit Liability Coverage, the following definitions are added to Section F:

"Administration" means:

- a. Giving counsel other than legal counsel, about the "employee benefit programs";
- b. Providing information about the content of the "employee benefit programs";
- c. Handling records in connection with the "employee benefit programs"; and
- d. Enrolling or terminating any employee's participation in a plan included in the "employee benefit program",

provided all such acts are authorized by you, but

"Administration" does not mean:

- a. The exercise of or failure to exercise any authority or control respecting:
 - 1) The management of any "employee benefit program"; or
 - 2) The investment or disposition of any "employee benefit program" or its assets; or
- b. The rendering of any advice with respect to the investment of any assets of any "employee benefits program".

"Claim" means a written demand received by the insured for "damages" alleging injury caused by a negligent act, error, omission of any insured or of any other person for whose acts, errors, omissions the insured is legally liable, in the "administration" of the insured's "employee benefits program", including the institution of a "suit" for such "damages" against any insured.

"Damages" mean only those damages which are payable because of a "claim" to which this insurance applies.

"Employee Benefit Program" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, salary continuation plans, social security, disability benefits insurance, savings 401K plans, vacation plans or any other similar employee benefit programs.

7. With respect to Employee Benefit Liability Coverage, the following definitions of "Coverage Territory" and "Suit", of Section F are replaced by:

"Coverage Territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or air space, provided "damages" does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if:
 - 1) The "damage" arises out of the activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - 2) The insured's responsibility to pay "damages" is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

"Suit" means a civil proceeding in which damages because of any negligent act, error or omission to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit with our consent.

All other terms and conditions of the Businessowners Liability Coverage Form remain unchanged by this form.

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BP 80 26 12 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS EXTENSION ENDORSEMENT

This Endorsement modifies insurance provided under the following:
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS DECLARATIONS
BUSINESSOWNERS ENHANCEMENT ENDORSEMENT

A. The BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM is modified as follows:

1. Under Additional Coverage, Section A.5., the following coverages are added:

m. Water Back Up and Sump Overflow

1. We will pay up to \$25,000 for direct physical loss not caused by negligence of any insured to covered property caused by:

(a) Water which backs up through sewers or drains; or

(b) Water which overflows from a sump even if such overflow results from the mechanical breakdown of the sump pump. This coverage does not apply to direct physical loss of the sump pump or related equipment.

The most we will pay under this additional coverage for all individual losses occurring during any period of 72 consecutive hours arising out of and directly occasioned by the same event is \$25,000.

n. Arson Rewards

We will pay for rewards given to any person or persons, other than you, your officers, your partners or your employees, for information leading to an arson conviction in connection with a fire loss to the described premises. The most we will pay under this additional coverage is \$10,000 per fire loss. This is the most we will pay regardless of the number of persons who provided the information.

o. Fire Extinguisher Recharging

We will pay up to \$2,500 for the reasonable costs necessary to recharge fire extinguishers owned by or under the control of the insured. This extension applies only to extinguishers discharged to save or protect covered property from a covered cause of loss. This coverage is additional insurance and is not subject to any deductible.

2. Under PROPERTY LOSS CONDITIONS, Section E., the following is amended:

Paragraph 6.d., is amended to read as:

Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:

Item (8) is added as follows:

(8) Accounts Receivable - Specific

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of the loss or damage, the following method will be used:

(i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

(ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

(b) The following will be deducted from the total amount of accounts receivable, however, that amount is established:

(i) The amount of the accounts for which there is no loss or damage;

(ii) The amount of the accounts that you are able to re-establish to collect;

(iii) An amount to allow for probable bad debts that you are normally unable to collect; and

(iv) All unearned interest and service charges.

BUSINESSOWNERS
BP 80 26 12 97

3. Under Exclusions, Section B., the following is added:

5. Accounts Receivable and "Valuable Papers and Records" Exclusion.

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers and Records" Coverage Extensions:

a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recording that is caused by or results from:

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts;

But we will pay for direct loss or damage caused by lightning.

b. Applicable to "Valuable Papers and Records" only:

We will pay for loss or damage caused by or resulting from any of the following:

- (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.

- (2) Wear and tear, gradual deterioration or latent defect.

c. Applicable to Accounts Receivable only:

We will not pay for:

- (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping,

accounting or billing errors or omissions.

- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

4. Under OPTIONAL COVERAGE, Section G.4. Money and Securities, C. Paragraph (2) is amended to read:

- (2) \$8,000 for "money" and "securities" while outside the premises. If Limits of Insurance are shown in the Declarations for Money and Securities, the Limits specified in the Declarations for Money and Securities will be in addition to the limits specified above in this Additional Coverage.

5. Under OPTIONAL COVERAGE, Section G.5. Employee Dishonesty, Paragraph C. is amended to read:

- C. The most we will pay for loss or damage in any one occurrence is \$5,000.

If Limits of Insurance are shown in the Declarations for Employee Dishonesty, the Limits specified in the Declarations for Employee Dishonesty will be in addition to the limits specified above in this Additional Coverage.

B. The BUSINESSOWNERS ENHANCEMENT ENDORSEMENT is modified as follows:

1. Under Coverage Extensions, Section A.6. the following is added:

g. Accounts Receivable - Specific

1. All amounts due from your customers that you are unable to collect;
2. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
3. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
4. Other reasonable expenses that you incur to re-establish your records of accounts receivable that result from direct physical loss or damage by any Covered Causes of Loss to your records of accounts receivable.

- b. Advice given by an insured to any person to participate or not to participate in any plan included in the "employee benefit program".
 - c. The inability of the insured's "employee benefits program" to meet any obligation due to lack of funds.
 7. Fines, civil penalties or taxes.
 8. Any "claim" or "suit" arising out of any violation of any provision of the Employee Retirement Income Security Act of 1974. Public Law 93-406 (commonly referred to as the Pension Reform Act of 1974) or any amendments thereto.
 9. Any "claim" or "suit" arising out of any duty imposed upon the insured relating to continuation coverage requirements for employer-provided group health plans as set forth in the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) as amended by the Tax Reform Act of 1986 or any similar legislation that may be enacted.
3. With respect to Employee Benefit Liability Coverage, the following replaces Section C.:
1. If you are designated in the Businessowners Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members and your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. An organization other than a partnership or joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 2. Your "employees" authorized to act in the administration of your "employee benefit program" are insureds, but only for acts within the scope of their employment by you.
- No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations of this policy.
4. With respect to Employee Benefit Liability Coverage, the following replaces Section D.:
1. The Limit of Insurance shown in the Declarations of this coverage and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits";
 - d. Acts, errors or omissions which result in loss; or
 - e. Plans included in your "employee benefit program".
 2.
 - a. The Limit of Insurance shown in the Declaration for this coverage is the most we will pay for "damages" arising out of any one "occurrence" of acts, errors or omissions covered by this insurance, subject to 2b. below.
 - b. The Limit of Insurance shown in the Declarations of this coverage is the most we will pay for the sum of all damages arising out of all occurrences of acts, errors or omissions covered by this insurance during the policy period.
 - c. The Limit of Insurance shown in the Declarations of this coverage applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

EMPLOYEE BENEFITS LIABILITY COVERAGE

Employee Benefit Liability Coverage is provided by the modifications made under this endorsement form.

The following applies to the Businessowners Liability Coverage Form:

1. With respect to Employee Benefit Liability Coverage, the following replaces Section A.:

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" sustained by an "employee", "former employee", "prospective employee" of the insured or employee's beneficiaries or legal representatives caused by any negligent act, error or omission of the insured or any other person for whose acts, errors or omissions the insured is legally liable in the "administration" of the insured's "employee benefit program". We will have the right and duty to defend any "suit" seeking those "damages". But:
 - a. The amount we will pay for "damages" is limited as described in Section D., LIMIT OF INSURANCE, DEDUCTIBLE;
 - b. We may at our discretion, investigate any act, error or omission and settle any "claim" or "suit" that may result; and
 - c. Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.
2. This insurance applies to negligent acts, errors or omissions which occur during the policy period. The negligent act, error or omission must take place in the "coverage territory".
3. Coverage Extension - Supplementary Payments
In addition to the Limit of Insurance, we will pay, with respect to any "claim" or "suit" we defend:
 - a. All expenses we incur.
 - b. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
 - d. All costs taxed against the insured in the "suit".
 - e. Prejudgment interest awarded against the insured on the part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

2. With respect to Employee Benefit Liability Coverage, the following replaces Section B.:

This insurance does not apply to:

1. Any dishonest, fraudulent, criminal or malicious act.
2. Libel, slander, discrimination or humiliation.
3. "Bodily injury", "property damage", "personal injury", or "advertising injury".
4. Any "claim" or "suit" arising out of failure of performance of contract by any insurer, including failure of any "Employee Benefits Programs".
5. Any "claim" or "suit" based upon the insured's failure to comply with any law concerning workers' compensation, unemployment insurance, social security, disability benefits or any similar law.
6. Any "claim" or "suit" based upon:
 - a. Failure of any investment to perform as represented by the insured; or the investment or non-investment of funds.

BUSINESSOWNERS
BP 80 12 01 96

D. The following is added to Paragraph B. EXCLUSIONS in the Businessowners Special Property Coverage Form:

1. The following exclusions do not apply to coverage provided under this endorsement:

B.1.e. Power Failure; B.2.c. Smoke; B.2.d. Steam Apparatus; B.2.i. Collapse, B.2.k. (3), (4) and (5) Other Types of Loss exclusions and B.3.b. Acts or Decisions.

2. Exclusion B.2.k. (7) is replaced by the following:

(a) Dampness or dryness of atmosphere, or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.

(b) Marring or scratching

But if an excluded cause of loss that is listed in B.2.k. (1), (2), (6) or (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

E. ADDITIONAL EXCLUSIONS

The following exclusions apply in addition to the exclusions listed under B. EXCLUSIONS in the Businessowners Special Property Coverage Form:

We will not pay for loss or damage caused by or resulting from any of the following:

1. Human errors or omissions in processing, recording or storing information on electronic media and records and electronic data processing equipment.

However, we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this endorsement.

2. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided for under the Coverage Extensions of this endorsement.

However, we will pay for direct loss or damage caused by lightning.

3. Failure, breakdown or malfunction of electronic media and records and electronic data processing equipment, including parts, while the media is being run through the equipment.

However, we will pay for direct loss or damage caused by resulting fire or explosion if these causes of loss are covered by this endorsement.

4. Installation, testing, repair or other similar service performed upon the electronic data processing media and records or electronic data processing equipment, including parts.

F. PROPERTY LOSS CONDITIONS

Paragraph d.(6) of the LOSS PAYMENT Property Loss Condition does not apply to electronic media and records that are actually replaced or restored.

G. The following is added to H. PROPERTY DEFINITIONS:

7. "Converted data" means information that is stored on electronic media, that is capable of being communicated, processed or interpreted by electronic data processing equipment.

BUSINESSOWNERS
BP 80 12 01 96

C. Under A.6. COVERAGE EXTENSIONS in the Businessowners Special Property Coverage Form:

1. Under the Personal Property at Newly Acquired Premises Coverage Extensions 6.1., insurance under this Extension for Covered Property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire new premises or begin construction at the new premises;
- (c) Specific insurance for the Covered Property at the newly acquired premises is obtained; or
- (d) You report values to us.

We will charge you additional premium for values reported from the date you acquire the premise.

2. Coverage Extension 6.b. Personal Property Off Premises applies to Covered Property:

- (a) While such property is in the course of transit or is located at a premises you do not own, lease or operate for not more than 90 days.
- (b) Including duplicate or back-up electronic media and records that are stored at a separate location which is at least 100 feet from the premises described in the Schedule or Declarations as applying to electronic media and records.

3. The following are added to A.6. Coverage Extensions:

e. Mechanical Breakdown of Electronic Data Processing Equipment

We will pay for loss or damage to Covered Property due to mechanical breakdown if such loss or damage exceeds in any one occurrence the applicable deductible or the Mechanical Breakdown/Artificially General Electrical Current deductible amount shown in the Schedule or Declarations, whichever is greater.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Covered Property.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

f. Artificially Generated Electrical Current

We will pay for loss or damage to Electronic Data Processing Equipment due to artificially generated electrical current if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

If such loss or damage as specified above exceeds in any one occurrence the applicable deductible or the Mechanical Breakdown/Artificially Generated Electrical Current deductible shown in the Schedule or in the Declarations, whichever is greater, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Equipment.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described Location.

The Electrical Apparatus Exclusion B.2.a. in the Businessowners Special Property Coverage Form does not apply to this Coverage Extension.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
 - (1) Money and Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat.

3. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B., Exclusions; or
- b. Limited in Paragraph A.4., Limitations; that follow.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

- b. With respect to glass (other than glass building blocks) that is part of the interior or exterior of a building or structure, or part of an outdoor sign, we will not pay more than \$500 for the total of all loss or damage in any one occurrence. Subject to the \$500 limit on all loss or damage, we will not pay more than \$100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

- c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

- (1) Glass that is part of the interior or exterior of a building or structure;
- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.

- d. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.

BUSINESSOWNERS
BP 00 02 01 96

**BUSINESSOWNERS SPECIAL
PROPERTY COVERAGE FORM**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION H - PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments or rooms furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of the described premises, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, but this property is not covered for more than the amount for which you are legally liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own;
 - (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.b.(2)**.

BUSINESSOWNERS
BP 04 19 06 89

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF LIQUOR LIABILITY EXCLUSION -
EXCEPTION FOR SCHEDULED ACTIVITIES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Description of Activity(ies):

NONE

Under Section B. EXCLUSIONS in the Business-owners Liability Coverage Form, exclusion 1.c. is replaced by

This insurance does not apply to "bodily injury" or "property damage" for which any insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;
- (2) Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a) Requires a license;
 - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages at the specific activity(ies) described above.

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

BUSINESSOWNERS
BP 04 28 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY - NEW JERSEY

This endorsement modifies insurance provided under the following;

BUSINESSOWNERS POLICY

Coverage	SCHEDULE	Additional Premium
Hired Auto Liability		
Non-Owned Auto Liability		
<p>A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.</p>		
<p>1. HIRED AUTO LIABILITY</p> <p>The insurance provided under the Business-owners Liability Coverage Form, Paragraph A.1. Business Liability, applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.</p>		
<p>2. NON-OWNED AUTO LIABILITY</p> <p>The insurance provided under the Business-owners Liability Coverage Form, Paragraph A.1. Business Liability, applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.</p>		
<p>B. For insurance provided by this endorsement only:</p>		
<p>1. The exclusions, under the Businessowners Liability Coverage Form, Paragraph B.1. Applicable to Business Liability Coverages, other than exclusions a., b., d., and i. and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:</p>		
<p>a. "Bodily injury":</p>		
<p>(1) To an "employee" of the insured arising out of and in the course of;</p>		
<p>(a) Employment by the insured; or</p>		
<p>(b) Performing duties related to the conduct of the insured's business; or</p>		
<p>(2) To the spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.</p>		
<p>This exclusion applies:</p>		
<p>(a) Whether the insured may be liable as an employer or in any other capacity; and</p>		
<p>(b) To any obligation to share damages with or repay someone else who must pay damages because of injury.</p>		
<p>This exclusion does not apply to:</p>		
<p>(i) Liability assumed by the insured under an "insured contract"; or</p>		
<p>(ii) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers' compensation law.</p>		
<p>b. "Property damage" to:</p>		
<p>(1) Property owned or being transported by, or rented or loaned to the insured; or</p>		
<p>(2) Property in the care, custody or control of the insured.</p>		
<p>2. WHO IS AN INSURED in the Businessowners Liability Coverage Form, Paragraph C., is replaced by the following:</p>		

BUSINESSOWNERS
BP 04 28 01 96

Each of the following is an insured under this endorsement to the extent set forth below:

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a., b. or c. above.

None of the following is an insured:

- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- (2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

(3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;

(4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;

(5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

C. The following additional definitions apply:

1. **"Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".
2. **"Hired Auto"** means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.
3. **"Non-Owned Auto"** means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

BUSINESSOWNERS
BP 04 30 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Prem.
No.

Bldg.
No.

Protective Safeguards
Symbols Applicable

Describe any "P-9":

- A. The following is added to the Property General Conditions in the Businessowners Property Coverage Form:

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:
 - a. "P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

- (1) Any automatic fire protective or extinguishing system, including connected:
 - (a) Sprinklers and discharge nozzles;
 - (b) Ducts, pipes, valves and fittings;
 - (c) Tanks, their component parts and supports; and
 - (d) Pumps and private fire protection mains.
- (2) When supplied from an automatic fire protective system:
 - (a) Non-automatic fire protective systems; and
 - (b) Hydrants, standpipes and outlets.

- b. "P-2" Automatic Fire Alarm, protecting the entire building, that is;

- (1) Connected to a central station; or
- (2) Reporting to a public or private fire alarm station.

- c. "P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation,

- d. "P-4" Service Contract with a privately owned fire department providing fire protection service to the described premises.

- e. "P-9" The protective system described in the Schedule.

- B. The following is added to the EXCLUSIONS section of the BUSINESSOWNERS PROPERTY COVERAGE FORM;

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**BUSINESSOWNERS
BP 05 23 11 02**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A. The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more "certified acts of terrorism" under the federal Terrorism Risk Insurance Act of 2002, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

- B. The following provision is added to Businessowners Standard Property Coverage Form BP 00 01, Businessowners Special Property Coverage Form BP 00 02 or Section I Property of Businessowners Coverage Form BP 00 03:

APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

BUSINESSOWNERS
BP 12 07 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES - LOSS INFORMATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

The following Condition is added to LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS (Section E) in the BUSINESSOWNERS LIABILITY COVERAGE FORM:

6. Your Right to Loss Information

We will provide the first Named Insured shown in the Declarations the following loss information relating to this and any preceding Businessowners Liability Coverage Form we have issued to you during the previous three years:

- a.** A list or other record of each "occurrence" of which we were notified in accordance with paragraph 2.a. of the Duties in the Event of Occurrence, Offense, Claim or Suit Condition in this Section. We will include a brief description of the "occurrence" and information on whether any claim arising out of the "occurrence" is open or closed.
- b.** A summary by policy year, of payments made and amounts reserved, stated separately under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

We will provide this information only if we receive a written request from the first Named Insured during the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured.

**THIS ENDORSEMENT CHANGES THE POLICY.
PLEASE READ IT CAREFULLY.**

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance under the following:

Businessowners Special Property Coverage Form.

The following paragraphs are added to section A5., Additional Coverages

i. ORDINANCE OR LAW COVERAGE

1. Coverage

A. Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building

If a covered cause of loss occurs to a covered building property, we will pay under Coverage for the Loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or that:

1. Requires the demolition of parts of the same property not damaged by a covered cause of loss;
2. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
3. Is in force at the time of loss.

Coverage 1- is included within the Limit of Insurance shown in the Declarations as applicable to the covered building property.

Coverage 1 - does not increase the Limit of Insurance.

B. Coverage 2 - Demolition Cost Coverage

If a covered cause of loss occurs to a covered building property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

C. Coverage 3 - Increased Cost of Construction Coverage

If a covered cause of loss occurs to the covered building property, we will pay for the increased cost to:

1. Repair or reconstruct damaged portions of that building property; and/or
2. Reconstruct or remodel undamaged portions of that building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However,

1. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
2. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

We will not pay under Coverage 1, Coverage 2 or Coverage 3 for the costs associated with the

a. Enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants", fungi, wet or dry rot or bacteria.

b. Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by pollutants or due to the presence, growth, proliferation, spread of any activity of fungi, wet or dry rot or bacteria.

2. Loss Payment

A. With respect to Coverage 1, loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:

1. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - a. The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - b. The Limit of Insurance shown in the Declarations as applicable to the covered building property.
2. If the property is **not** repaired or replaced, we will not pay more than the lesser of:
 - a. The actual cash value of the building at the time of loss; or
 - b. The Limit of Insurance shown in the Declarations as applicable to the covered building property.

B. The most we will pay, for the total of all covered losses for Coverage 2 and Coverage 3 is 25% of the building limit shown in the Declarations. If blanket limits are shown in the Declarations, the most we will pay for the total of all covered losses for Coverage 2 and Coverage 3 is 10% of the building limit as indicated in the statement of values maintained by the Company.

Subject to this limit, the following loss payment provisions apply:

1. For demolition cost, we will not pay more than the amount you actually spend to demolish and remove debris of the undamaged parts of the property.

2. With respect to the increased cost of construction:
 - a. We will not pay for the increased cost of construction:
 - i. Until the property is actually repaired or replaced, at the same or another premises; and
 - ii. Unless the repairs or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - c. If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.

The terms of this Additional Coverage apply separately to each covered building property.

The following definition is added to Paragraph H. Property Definitions: fungi means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by products produced or released by fungi.

BUSINESSOWNERS
BP 80 12 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS PERSONAL COMPUTER COVERAGE

This endorsement modifies insurance provided under the following:

Businessowners Special Property Coverage Form

If a limit for Business Personal Computer Coverage is shown in the Declarations, the following coverage applies. This coverage is subject to the provisions applicable to the Businessowners Special Property Coverage Form of this policy, including the deductible, except as provided within this endorsement.

The limit for Electronic Data Processing Equipment (Hardware) is the limit shown in the Declarations for Business Personal Computer Coverage.

The limit for Electronic Media and Records (Software) is 25% of the above limit.

The following provisions (A. through H. inclusive) apply only to the coverage provided by this endorsement.

A. Paragraph A.1.b. Business Personal Property is replaced by the following:

b. Business Personal Property

Covered Property as used in this endorsement includes the following types of property that you own that are used in your business; and property of others as defined below, that is in your care, custody or control, but such property is not covered for more than the amount for which you are legally liable:

(1) Electronic Data Processing Equipment (Hardware):

As used in this endorsement, Electronic Data Processing Equipment includes:

- (a)** Programmable electronic equipment that is used to store, retrieve and process data; and
 - (b)** Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmissions;
- except as described in (2) below.

(2) Electronic Media and Records (including Software)

As used in this endorsement, Electronic Media and Records includes:

- (a)** Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (b)** Data stored on such media; and
- (c)** Programming records used for electronic data processing or electronically controlled equipment.

B. The following is added to Paragraph A.2. PROPERTY NOT COVERED:

- g.** Property held as samples, held for rental or sale or that you rent to others;
- h.** Property in storage away from the premises shown in the Declarations or in the Schedule, except as provided in the Coverage Extensions of this endorsement;
- i.** Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motor truck or other vehicle subject to motor vehicle registration; or
- j.** Accounts, bills, evidences of debt and valuable papers and records. However, such property is Covered Property in its "converted data" form.

- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

- (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

- (4) If:

- (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph (2) above;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

d. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this policy, if the collapse is caused by one or more of the following:

- (a) The "specified cause of loss" or breakage of building glass, all only as insured against in this policy;
- (b) Hidden decay;
- (c) Hidden insect or vermin damage;
- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof;
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in d.(1)(a) through d.(1)(e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

- (2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

- (a) The personal property which collapses is inside a building insured under this policy; and
- (b) The collapse was caused by a cause of loss listed in d.(1)(a) through d.(1)(f) above.

- (3) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in d.(1)(b) through d.(1)(f), we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

- (4) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

e. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

f. Business Income

(1) Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from any Covered Cause of Loss. If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (a) All routes within the building to gain access to the described premises;
- (b) Your personal property in the open (or in a vehicle) within 100 feet.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage.

Business Income means the:

- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
- (ii) Continuing normal operating expenses incurred, including payroll.

Ordinary payroll expenses mean payroll expenses for all your employees except:

- 1. Officers;
- 2. Executives;
- 3. Department Managers;
- 4. Employees under contract; and
- 5. Additional Exemptions shown in the Declarations as:
 - a. Job Classifications; or
 - b. Employees.

Ordinary payroll expenses include:

1. Payroll;
2. Employee benefits, if directly related to payroll;
3. FICA payments you pay;
4. Union dues you pay; and
5. Workers' compensation premiums.

(2) Extended Business Income.

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

This Additional Coverage is not subject to the Limits of Insurance.

g. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises, including personal property in the open (or in a vehicle) within 100 feet, caused by or resulting from a Covered Cause of Loss. If you are a tenant, your premises is the portion of the building which you rent, lease or occupy, including:

- (a) All routes within the building to gain access to the described premises; and
- (b) Your personal property in the open (or in a vehicle) within 100 feet.

- (2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":

- (i) At the described premises; or
- (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

- (b) To minimize the suspension of business if you cannot continue "operations".

- (c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged valuable papers and records;

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

h. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 3 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

j. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is \$1,000.

k. Forgery and Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500.

6. Coverage Extensions

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

a. Personal Property at Newly Acquired Premises

- (1) You may extend the insurance that applies to Business Personal Property to apply to that property at any premises you acquire.

The most we will pay for loss or damage under this Extension is \$10,000 at each premises.

- (2) Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:

- (a) This policy expires.
- (b) 30 days expire after you acquire or begin construction at the new premises; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the premises.

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than money and securities, while it is in course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$5,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant.

d. Valuable Papers and Records - Cost of Research

You may extend the insurance that applies to Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay under this Extension is \$1,000 at each described premises.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

i. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. Other Types of Loss

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

3. We will not pay for loss or damage caused by or resulting from any of the following **B.3.a.** through **B.3.c.** But if an excluded cause of loss that is listed in **B.3.a.** through **B.3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

b. Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Business Income and Extra Expense Exclusions. We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
- (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

- b. Any other consequential loss.

C. LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

4. Building Limit - Automatic Increase

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.

- b. The amount of increase will be:

- (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, times
- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
- (3) The number of days since the beginning of the current policy year of the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If: The applicable Building limit is \$100,000.
The annual percentage increase is 8%.
The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .08 \times 146 / 365 = \$3,200.$$

5. Business Personal Property Limit - Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.

- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
 - a. Money and Securities;
 - b. Employee Dishonesty;
 - c. Exterior Glass;
 - d. Interior Glass; and
 - e. Outdoor Signs.But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.
3. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense; and
 - d. Civil Authority.

E. PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.
 - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
 - (9) Resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Limitation - Electronic Media and Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

6. Loss Payment

In the event of loss or damage covered by this policy:

a. At our option, we will either:

- (1) Pay the value of lost or damaged property;
- (2) Pay the cost of repairing or replacing the lost or damaged property;
- (3) Take all or any part of the property at an agreed or appraised value; or
- (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to d.(1)(e) below.

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

c. We will not pay you more than your financial interest in the Covered Property.

d. Except as provided in (2) through (7) below, we will determine the value of Covered Property as follows:

(1) At replacement cost without deduction for depreciation, subject to the following:

(a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:

(i) The Limit of Insurance under this policy that applies to the lost or damaged property;

(ii) The cost to replace, on the same premises, the lost or damaged property with other property:

i. Of comparable material and quality; and

ii. Used for the same purpose; or

- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
 - (i) The actual cash value of the lost or damaged property;
 - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement; or
 - (iii) The amount that you actually spend to repair or replace the lost or damaged property.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value - Buildings" option applies, as shown in the Declarations, paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c) Nothing if others pay for repairs or replacement.
- (6) Valuable Papers and Records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
 - (a) Blank materials for reproducing the records; and

(b) Labor to transcribe or copy the records.

(7) Applicable only to the Optional Coverages:

(a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

7. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

8. Resumption of Operations

We will reduce the amount of your:

a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.

b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

9. Vacancy

a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

(i) Is not rented; or

(ii) Is not used to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. PROPERTY GENERAL CONDITIONS

1. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

4. Policy Period, Coverage Territory

Under this form:

a. We cover loss or damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

- (1) Owned by you; or
- (2) Owned by others but in your care, custody or control.

b. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:

- (1) Paragraph B.1.c., Governmental Action;
- (2) Paragraph B.1.d., Nuclear Hazard; and
- (3) Paragraph B.1.f., War and Military Action.

c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Exterior Glass

a. We will pay for direct physical loss of or damage to glass that is part of the exterior of a covered building or structure at the described premises, including lettering, and ornamentation, provided the glass is:

- (1) On the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to exterior glass on all floors; and
- (2) Owned by you, or owned by others but in your care, custody or control.

b. We will also pay for necessary:

- (1) Expenses incurred to put up temporary plates or board up openings;
- (2) Repair or replacement of encasing frames; and
- (3) Expenses incurred to remove or replace obstructions.

c. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:

- (1) Paragraph B.1.c., Governmental Action;
- (2) Paragraph B.1.d., Nuclear Hazard; and
- (3) Paragraph B.1.f., War and Military Action.

d. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Corrosion; or
- (4) Rust.

e. This Optional Coverage supersedes all limitations in this policy that apply to exterior glass.

3. Interior Glass

a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:

- (1) Described in the Declarations as covered under this Optional Coverage; and
- (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
- (3) Owned by you, or owned by others but in your care, custody or control.

b. We will also pay for necessary:

- (1) Expenses incurred to put up temporary plates or board up openings;
- (2) Repair or replacement of encasing frames; and
- (3) Expenses incurred to remove or replace obstructions.

c. Paragraph A.3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:

- (1) Paragraph B.1.c., Governmental Action;
- (2) Paragraph B.1.d., Nuclear Hazard; and
- (3) Paragraph B.1.f., War and Military Action.

d. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Corrosion; or
- (4) Rust.

e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.

4. Money and Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

5. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (2) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage does not apply to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee;of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.

h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

(1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

(2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

(1) This Optional Coverage as of its effective date; or

(2) The prior insurance had it remained in effect.

6. Mechanical Breakdown

a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:

(1) Owned by you or in your care, custody or control; and

(2) At the described premises.

b. Accident means a sudden and accidental breakdown of the Object or a part of the Object. At the time the breakdown occurs, it must manifest itself by physical damage to the Object that necessitates repair or replacement.

c. None of the following is an Accident:

(1) Depletion, deterioration, corrosion or erosion;

(2) Wear and tear;

(3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

(4) Breakdown of any vacuum tube, gas tube or brush;

(5) Breakdown of any electronic computer or electronic data processing equipment;

(6) Breakdown of any structure or foundation supporting the Object or any of its parts;

(7) The functioning of any safety or protective device; or

(8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.

d. Object means any of the following equipment:

(1) Boiler and Pressure Vessels:

(a) Steam heating boilers and condensate return tanks used with them;

(b) Hot water heating boilers and expansion tanks used with them;

(c) Hot water supply boilers;

(d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;

(e) Steam boiler piping, valves, fittings, traps and separators, but only if they:

(i) Are on your premises or between parts of your premises;

(ii) Contain steam or condensate of steam; and

(iii) Are not part of any other vessel or apparatus;

(f) Feed water piping between any steam boiler and a feed pump or injector.

(2) Air Conditioning Units - Any air conditioning unit that has a capacity of 60,000 Btu or more, including:

(a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;

(b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;

EXHIBIT 6

GENERAL LIABILITY NOTICE OF OCCURRENCE CLAIM		08/04/2006	
PRODUCER PHONE (A/C, No, Ext): (973) 338-9002 FAX (973) 338-7738		DATE OF OCCURRENCE AND TIME 03/24/2005	
THE FELDMAN AGENCY 1246 Broad Street Bloomfield, NJ 07003		DATE OF CLAIM 08/04/2006	
NOTICE OF OCCURRENCE NOTICE OF CLAIM		PREVIOUSLY REPORTED YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
EFFECTIVE DATE 05/30/2005		EXPIRATION DATE 05/30/2006	
POLICY TYPE OCCURRENCE		CLAIMS MADE YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
COMPANY Quincy Mutual Ins. Co.		MISCELLANEOUS INFO (Site & location code)	
POLICY NUMBER CPP800836		REFERENCE NUMBER	
INSURED NAME AND ADDRESS Schenkman/Kushner Affiliates P.O. Box 6872 520 U.S. Highway 22 Bridgewater, NJ 08807		CONTACT NAME AND ADDRESS Jeff Parsky	
RESIDENCE PHONE (A/C, No) BUSINESS PHONE (A/C, No, Ext) (908) 725-8100		CONTACT INSURED WHERE TO CONTACT WHEN TO CONTACT	
OCCURRENCE LOCATION OF OCCURRENCE (Include city & state) 75 Fourth Street, Somerville, NJ DESCRIPTION OF OCCURRENCE (Use reverse side, if necessary) Claimant alleges that because of Insureds negligence they sustained a business income loss. Insured denies any liability. **			
POLICY INFORMATION COVERAGE PART OR FORMS (Insert form #s and edition dates) GENERAL AGGREGATE 2,000,000 PROD/COMP OP AGG PERS & ADV INJ EACH OCCURRENCE 1,000,000 FIRE DAMAGE MEDICAL EXPENSE DEDUCTIBLE UMBRELLA EXCESS <input checked="" type="checkbox"/> UMBRELLA EXCESS CARRIER: Quincy LIMITS: 5,000,000 PER CLAIM <input checked="" type="checkbox"/> PER OCCUR <input checked="" type="checkbox"/>			
TYPE OF LIABILITY PREMISES: INSURED IS OWNER TENANT OTHER TYPE OF PREMISES OWNER'S NAME & ADDRESS (If not Insured) OWNERS PHONE (A/C, No, Ext) PRODUCTS: INSURED IS MANUFACTURER VENDOR OTHER TYPE OF PRODUCT MANUFACTURER'S NAME & ADDRESS (If not Insured) MANUFACT PHONE (A/C, No, Ext) WHERE CAN PRODUCT BE SEEN? OTHER LIABILITY INCLUDING COMPLETED OPERATIONS (Explain)			
INJURED/PROPERTY DAMAGED NAME & ADDRESS (Injured/Owner) Bristol Myers AGE SEX OCCUPATION EMPLOYER'S NAME & ADDRESS PHONE (A/C, No, Ext) PHONE (A/C, No, Ext)			
DESCRIPTION OF INJURY FATALITY DESCRIBE PROPERTY (Type, model, etc) ESTIMATE AMOUNT WHERE CAN PROPERTY BE SEEN? WHERE TAKEN WHAT WAS INJURED DOING? WHEN CAN PROPERTY BE SEEN?			
WITNESSES NAME & ADDRESS BUSINESS PHONE (A/C, No, Ext) RESIDENCE PHONE (A/C, No)			
REMARKS ** NONE OF THE CONDITIONS CONCERNING THIS LOSS HAS CHANGED. KINDLY INSPECT AS SOON AS POSSIBLE.			
REPORTED BY Insured		SIGNATURE OF PRODUCER OR INSURED Insured	
REPORTED TO Agent		NOTE: IMPORTANT STATE INFORMATION ON REVERSE SIDE	